

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 93-400-G
LITTLE GAS COMPANY, INC.)	

O R D E R

On December 17, 1993, in Case No. 93-400, the Commission approved the merger of Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and provided for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On June 28, 1995, Mike Little filed its GCA to be effective August 1, 1995 until October 31, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mike Little's notice proposed revised rates designed to pass on its expected wholesale increase in gas cost to its customers. Mike Little's expected gas cost ("EGC") for the quarter is \$3.7108 per Mcf.

2. Mike Little's notice set out no refund adjustment.

3. Mike Little's notice set out a current quarter actual adjustment ("AA") of 15.33 cents per Mcf to collect under-recovered gas cost from February, March and April 1995. Mike Little used an

incorrect EGC for the month of February. The current AA should be 4.04 cents per Mcf. The total AA of 3.42 cents per Mcf reflects the net under-recovery of the combined system for the current and previous three quarters.

4. These adjustments produce a gas cost recovery rate ("GCR") of \$3.7450 per Mcf, 8.70 cents per Mcf more than the prior rate.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after August 1, 1995.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little be and they hereby are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are effective for gas supplied on and after August 1, 1995.

3. Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

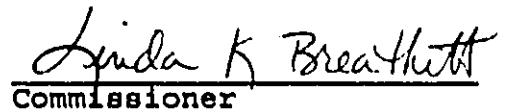
4. In its April 1, 1996 filing for rates effective May 1, 1996, Mike Little shall include a report of additional customers receiving service on the new Joint Venture supply line, along with a comparison of the IUS rate to other available rates.

Done at Frankfort, Kentucky, this 1st day of August, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-400-G DATED AUGUST 1, 1995.

The following rates and charges are prescribed for the customers in the area served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES FOR CUSTOMERS FORMERLY SERVED BY MIKE LITTLE GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$2.8211	\$3.7450	\$6.5661
Over 1 Mcf	2.6040	3.7450	6.3490

RATES FOR CUSTOMERS FORMERLY SERVED BY ELZIE NEELEY GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$3.4984	\$3.7450	\$7.2434
Over 1 Mcf	2.4658	3.7450	6.2108

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$4.3971	\$3.7450	\$8.1421
Over 1 Mcf	2.7670	3.7450	6.5120